

R E M A R K S

Claims 1 to 89 are pending in the present application.

Claims 1, 54, 57, 70, 72, 73, 74, 82, 84, 85, 86, 87, and 89 are independent.

Claims 85 and 86 have been amended herein.

As originally filed the claims inadvertently included two different claims numbered 53.

To correct this minor error, the "second" Claim 53 (*i.e.* Claim 53B) has been renumbered as Claim 89.

Section 101 Rejection

Claims 85 and 86 stand rejected under 35 U.S.C. Section 101 as being directed to non-statutory subject matter. Applicants respectfully traverse the Examiner's Section 101 rejection. The Examiner asserts that the data structures recited in Claims 85 and 86 are not data structures because they "are considered to consist entirely of non-functional descriptive material." However, the Examiner acknowledges that these claims recite "objects." It is well known that objects include data and procedures to manipulate the data. (see, e.g., "Object Databases in Practice" by Akmal B. Chaudhri et al. Prentice Hall PTR; 1st edition (December 1997), pg. 30). Applicants assert that the data structures recited in Claims 85 and 86 thus include more than non-functional descriptive material. Further, the features recited in these claims clearly indicate that the objects relate to each other in that data stored in one object is accessible by other objects.

Regardless, Applicants have amended Claims 85 and 86 herein to make explicit what was implicit, that the objects referred to in these data structure claims include more than mere data. Thus, the Examiner's Section 101 rejection is overcome and there being no other rejections of Claims 85 and 86, Applicants respectfully request that the Examiner withdraw his rejection and allow these claims.

Section 102 Rejection

Claims 1, 2, 4, 5, 9, 11 to 14, 17, 19 to 22, 24 to 27, 31 to 35, 38 to 84, and 87 to 89 stand rejected under 35 U.S.C. Section 102(e) as anticipated by US Patent No. 6,259,908 filed November 25, 1996 and issued July 10, 2001 to Austin (hereinafter "Austin"). Applicants respectfully traverse the Examiner's Section 102 rejection.

In rejecting all of the independent claims (and most of the dependent claims), the Examiner has mischaracterized the teaching of the reference. Specifically, in rejecting Claims 1, 20 to 22, 25 to 27, 33, 34, 41, 44 to 46, 48, 52, 54 to 57, 59 to 63, 65, 66, 68 to 70, 72 to 74, 79 82, 84, and 87 to 89, the Examiner incorrectly cites to the following quoted passage to attempt to support his assertion that the reference teaches a customer device outputting a subsidy offer to a customer when the customer indicates an interest in purchasing an item:

To increase the customer base in light of expensive cellular telephones, cellular service carriers help to reduce the cost of purchasing cellular telephones to potential customers by subsidizing the cost of cellular telephones.

A cellular service carrier may subsidize the cost of a cellular telephone by purchasing cellular telephones directly from manufacturers at a cost of \$200 to \$300 each and then selling the telephones to a retailer for less than \$10 each. Thus, the retailer may sell the telephones at low cost to customers. To ensure that the customers are set up on the cellular network of the subsidizing

cellular service carrier, the subsidizing cellular service carrier enters into a contract with the retailer. The contract requires the retailer to set up the purchased subsidized cellular telephone on the cellular network of the subsidizing cellular service carrier. (Austin, col. 2, Ins. 3 to 17)

Clearly this passage merely describes the practice of a cellular service carrier subsidizing phones for a retailer to sell them to customers in exchange for the customer's signing up for service with the carrier. There is no teaching, or even suggestion, that the phones themselves make subsidy offers to the customer when the customer indicates an interest in purchasing a phone. Much less, there is no teaching or suggestion that a customer's device makes a subsidy offer to the customer when the customer indicates an interest in purchasing an item such as a phone, as Applicants have claimed.

The Examiner further mischaracterizes the reference by incorrectly asserting that the following quoted passage from Austin teaches making a subsidy offer when a customer indicates interest in purchasing telephone service:

The present invention generally relates to a method of limiting activation of a cellular telephone to a designated cellular network.

More particularly, limiting access to a designated cellular network may be accomplished by defining in a cellular telephone a subsidy lock code for use in activating the cellular telephone on the designated cellular network. The subsidy lock code is defined before the cellular telephone is activated on a cellular network. When procedures are initiated with an entity for activating the cellular telephone on the designated cellular network, the method of the present invention requires the entity to demonstrate knowledge of the subsidy lock code. Upon demonstration of knowledge of the subsidy lock code, the method of the present invention enables activation of the cellular telephone on the designated cellular network. (Austin, col. 3, Ins. 20 to 31)

Clearly this passage merely describes requiring that a "subsidy lock code" must be known before a phone can be used on a particular designated cellular network. Applicants respectfully assert that the Examiner's characterization of this passage is completely incorrect. There is nothing in this passage that suggests "outputting a redemption code (subsidy access code)" upon completing a task, or even outputting anything, much less, a subsidy access code. The passage only mentions a "subsidy lock code" which presumably a retailer activating a phone would have to input. Much less, there is no teaching of "outputting a subsidy offer to the customer in response to" an indication of interest in purchasing an item (or the like) as Applicants have claimed.

Therefore, as described above, Applicants assert that the Examiner has not provided a reference that teaches at least two features recited in Applicants' independent claims. Thus, Applicants respectfully request withdrawal of the Examiner's Section 102 rejection.

Regarding dependent Claim 20, the Examiner has not addressed and the reference does not teach Applicants' claimed feature of a "benefit is associated with performance of a task by the customer."

Regarding dependent Claim 21, the Examiner has not addressed and the reference does not teach Applicants' claimed feature of a "task comprises at least one of: (i) applying for a service and (ii) subscribing to a service." Note that the Examiner only refers to a task such as indicating an interest and not in actually subscribing as claimed.

Regarding dependent Claim 25, the Examiner has not addressed and the reference does not teach Applicants' claimed feature of "transmitting information" that "comprises a subsidy offer description."

Regarding dependent Claim 26, the Examiner has not addressed and the reference does not teach Applicants' claimed feature of a "customer device outputs [a] . . . subsidy offer to the customer when the customer indicates an interest in purchasing an item according to [a] . . . subsidy offer rule."

Regarding dependent Claim 27, the Examiner has not addressed and the reference does not teach Applicants' claimed feature of a "subsidy offer rule . . . associated with at least one of: (i) a particular item, (ii) an item category, (iii) an original item price, (iv) a merchant, (v) a geographic location, and (vi) performance of a task by the customer."

Regarding dependent Claim 33, the Examiner has not addressed and the reference does not teach Applicants' claimed feature that "the indication that the customer is interested in purchasing the item comprises an indication that the customer is accessing information about the item."

Regarding dependent Claim 34, the Examiner has not addressed and the reference does not teach Applicants' claimed feature wherein "determining comprises determining a plurality of subsidy offers and said transmitting comprises transmitting information associated with each of the plurality of subsidy offers to the customer device."

Regarding dependent Claim 41, the Examiner has not addressed and the reference does not teach Applicants' claimed features recited in the two claims from which Claim 41 depends (Claims 38 and 40) and "arranging for the customer to receive the benefit in response to . . . subsidy offer status information" as recited in Claim 41 itself.

Regarding dependent Claim 44, the Examiner has not addressed and the reference does not teach Applicants' claimed feature of "transmitting to the customer device a subsidy offer redemption code associated with the subsidy offer."

Regarding dependent Claim 45, the Examiner has not addressed and the reference does not teach Applicants' claimed feature of a "benefit is associated with performance of a task by the customer and the customer device outputs the subsidy offer redemption code after the customer performs the task."

Regarding dependent Claim 46, the Examiner has not addressed and the reference does not teach Applicants' claimed feature of "receiving a subsidy offer redemption code."

Regarding dependent Claim 48, the Examiner has not addressed and the reference does not teach Applicants' claimed feature of "arranging for the customer to receive the benefit in response to . . . receiving the subsidy offer redemption code."

Regarding dependent Claim 59, the Examiner has not addressed and the reference does not teach Applicants' claimed feature of "storing . . . information associated with the subsidy offer at the customer device." Note that the customer device is distinct from an item that the customer has indicated an interest in purchasing as the Examiner seems to incorrectly assert.

Regarding dependent Claim 60, the Examiner has not addressed and the reference does not teach Applicants' claimed feature of "information associated with a plurality of subsidy offers is stored at the customer device."

Regarding dependent Claim 61, the Examiner has not addressed and the reference does not teach Applicants' claimed feature of "evaluating . . . information associated with [a] . . . plurality of subsidy offers to determine at least one subsidy offer to be output to the customer" "when . . . [an] indication that the customer is interested in purchasing . . . [an] item is received."

Regarding dependent Claim 62, the Examiner has not addressed and the reference does not teach Applicants' claimed feature of "a plurality of subsidy offers . . . output to the customer."

Regarding dependent Claim 63, the Examiner has not addressed and the reference does not teach Applicants' claimed feature of "receiving from the customer a selection of at least one of the plurality of subsidy offers."

Regarding dependent Claim 65, as described above, the reference does not teach Applicants' claimed feature of "outputting a subsidy offer redemption code based on the indication that the customer accepts the subsidy offer."

Regarding dependent Claim 66, the Examiner has not addressed and the reference does not teach Applicants' claimed feature of "receiving at the customer device the subsidy offer redemption code in association with the subsidy offer."

Regarding dependent Claim 68, as described above, the reference does not teach Applicants' claimed feature of "outputting a subsidy offer redemption code after the customer performs [a] . . . task."

Regarding dependent Claim 69, the Examiner has not addressed and the reference does not teach Applicants' claimed feature of "arranging for the customer to receive the benefit."

Regarding dependent Claim 79, the Examiner has not addressed and the reference does not teach Applicants' claimed feature "wherein the redemption code includes information associated with the benefit."

Therefore, for the above listed additional reasons, Applicants assert that the Examiner has not provided a reference that teaches all features recited in Applicants' claims. Thus, Applicants respectfully request withdrawal of the Examiner's Section 102 rejection.

Regarding Claims 2, 4, 5, 9, 11, 12, 13, 14, 17, 19, 24, 31, 32, 35, 38 to 40, 42, 43, 47, 49, 58, 64, 75, 76, 77, 80, and 81, the Examiner repeatedly relies solely upon the above quoted passages to support his rejections. However, there is no teaching within these two passages of the features recited in these rejected claims. For example, there is no mention of a point-of-sale terminal (as recited in Claim 32) in the above quoted passages of Austin. Yet the Examiner rejects Applicants' claims regardless. For the record, Applicants formally object to the Examiner's improper manner of rejecting Applicants' claims under Section 102.

Regarding Claims 50, 51, 53, 56, 67, 71, 78, and 83, the Examiner once again incorrectly characterizes the teachings of the reference. Further, the Examiner incorrectly characterizes Applicants' claims. For example the following claims are characterized as merely "using a central computer for performing the steps of the method":

50. The method of claim 1, wherein said determining and said transmitting are performed by a subsidy provider device and said transmitting comprises transmitting the information associated with the subsidy offer to at least one of (i) a central controller and (ii) the customer device.

51. The method of claim 1, wherein said determining and said transmitting are performed by a central controller, said determining is based on information received from a subsidy provider device, and said transmitting comprises transmitting the information associated with the subsidy offer to the customer device.

56. The method of claim 54, wherein said determining and each of said transmitting are performed by a central controller, and further comprising:

transmitting a redemption code to be stored on the customer device, wherein the customer device outputs the redemption code in response to an indication that the customer has performed the task; and

receiving subsidy offer status information stored on the customer device.

78. The method of claim 74, wherein said evaluation comprises:
transmitting information associated with the redemption code to a third party; and
receiving an evaluation of the subsidy offer redemption code from the third party.

It is not at all clear to Applicants how the Examiner can possibly justify ignoring all of the features of the above four claims and mischaracterize these claims as only reciting "using a central computer for performing the steps of the method." Once again, Applicants formally object to the Examiner's improper manner of rejecting Applicants' claims under Section 102. Applicants further assert that a final rejection in reply to this response would be improper given that Applicants' invention has been improperly characterized by the Examiner.

Section 103 Rejections

Claims 15, 16, 18, 28 to 30, 36, and 37 stand rejected under 35 U.S.C. Section 103(a) as being unpatentable over Austin in view of Official Notice. Claims 3, 6 to 8, 10 and 23 stand rejected under 35 U.S.C. Section 103(a) as being unpatentable over Austin in view of US Patent No. 5,721,827 filed October 2, 1996 and issued February 24, 1998 to Logan et al. (hereinafter "Logan"). Applicants respectfully traverse the Examiner's Section 103(a) rejections.

Regarding all of the claims rejected under Section 103, Applicants assert that the Examiner has not met his burden of establishing a *prima facie* case of obviousness in that, as discussed above, the Austin reference does not disclose that for which the Examiner relies upon it. Thus, for this reason alone, Applicants respectfully request that the Examiner withdraw the Section 103 rejection of Claims 3, 6 to 8, 10, 15, 16, 18, 23, 28 to 30, 36, and 37.

Further, regarding Claims 15, 16, 18, 28 to 30, 36, and 37, Applicants do not accept nor agree with the Examiner's characterization of the features of the claims that stand rejected based upon Austin in view of factual assertions Officially Noticed by the Examiner. In each case, the officially-noted subject matter comprises the principal evidence upon which the rejection was based. In other words, the Examiner relies upon officially-noted subject matter to show that a feature of the rejected claim was in the prior art. For the record, Applicants dispute all of the various assertions in the Office Action regarding what is "old and well known" and/or otherwise officially-noted. Applicants likewise dispute all assertions which were not proper factual findings because they are mere unsupported conclusions.

Applicants respectfully remind the Examiner that officially-noted subject matter cannot be used as the primary basis for a rejection under 103. In other words, official notice alone of what existed in the prior art is not permitted. A reference must be provided to show the scope and content of the prior art. See, e.g., *In re Ahlert*, 424 F.2d 1088 (C.C.P.A. 1969) ("Assertions of technical facts in areas of esoteric technology **must always be supported by citation to some reference work** recognized as standard in the pertinent art and the appellant given, in the Patent Office, the opportunity to challenge the correctness of the assertion or the notoriety or repute of the cited reference. ... Allegations concerning specific 'knowledge' of the prior art, which might be peculiar to a particular art should also be supported and the appellant similarly given the opportunity to make a challenge.") (emphasis added); *In re Eynde*, 480 F.2d 1364 (C.C.P.A. 1973) ("[W]e reject the notion that judicial or administrative notice may be taken of the state of the art. Facts constituting the state of the art in a patent case are normally subject to the possibility of rational disagreement among reasonable men, and **are not amenable to the taking of judicial or administrative notice.**") (emphasis added); *In re Pardo*, 684 F.2d 912 (C.C.P.A.

1982) ("[T]his court will always construe [the rule permitting judicial notice] narrowly and will regard facts found in such manner with an eye toward narrowing the scope of any conclusions to be drawn therefrom. Assertions of technical facts in areas of esoteric technology must always be supported by citation to some reference work recognized as standard in the pertinent art and the appellant given, in the Patent Office, the opportunity to challenge the correctness of the assertion or the notoriety or repute of the cited reference.") (emphasis added) Official Notice may be used, if at all, to clarify the meaning of a reference. See, e.g., *In re Ahlert*, 424 F.2d 1088 (C.C.P.A. 1969) ("Typically, it is found necessary to take notice of facts which may be used to supplement or clarify the teaching of a reference disclosure, perhaps to justify or explain a particular inference to be drawn from the reference teaching.") (emphasis added).

Accordingly, Applicants request a reference that describes the officially-noted subject matter in sufficient detail to provide Applicants an opportunity to determine its scope and an opportunity to distinguish the prior art from the present invention. MPEP 2144.03. Likewise, if the Examiner is relying upon his own personal knowledge of what was "old and well known," Applicants respectfully request that the Examiner provide an affidavit in support of his factual assertions. Short of such support for the Examiner's factual assertions, Applicants respectfully request withdrawal of the Section 103 rejection on this additional ground.

Regarding Claims 3, 6 to 8, 10 and 23, in each instance, the Examiner relies upon Logan as teaching targeting a subsidy offer based upon various factors recited in Applicants' claims. However, the Examiner has not identified and Applicants cannot find anywhere within Logan a teaching or suggesting of targeting subsidy offers. Logan does appear to describe targeting audio program suggestions based upon demographic information, however, this is distinct from subsidy offers to customers. Since the only subsidy disclosed in the relied upon references is a cellular service carrier to a phone retailer (independent of any particular customer), it is clear that the relied upon references do not in fact teach targeting a subsidy offer, much less, targeting a subsidy offer based upon particular factors of the customer. Thus, Applicants respectfully request withdrawal of the Examiner's section 103 rejections for this additional reason.

Further, in rejecting Claims 3, 6 to 8, 10 and 23, the Examiner relies upon factual assertions that are not properly in the record. Applicants assume the Examiner intended to take Official Notice of these factual assertions. As above, Applicants formally dispute these assertions and request a reference that describes the officially-noted subject matter in sufficient detail to provide Applicants an opportunity to determine its scope and an opportunity to distinguish the prior art from the present invention. MPEP 2144.03. If the Examiner is relying upon his own personal knowledge of what was "old and well known," Applicants respectfully request that the Examiner provide an affidavit in support of his factual assertions. Short of such support for the Examiner's factual assertions, Applicants respectfully request withdrawal of the Section 103 rejection on this additional ground.

Conclusion

For the foregoing reasons it is submitted that all of the claims are in condition for allowance and the Examiner's early re-examination and reconsideration are respectfully requested.

Alternatively, if there remains any question regarding the present application or any of the cited references, or if the Examiner has any further suggestions for expediting allowance of the present application, the Examiner is cordially requested to contact Applicants' representative,

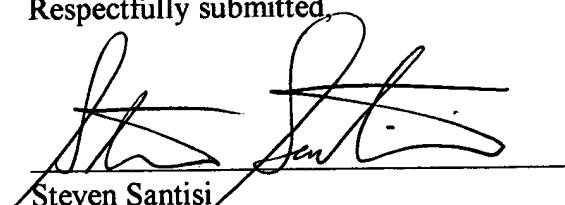
Steven Santisi, at telephone number 203-461-7054 or via electronic mail at santisi@walkerdigital.com.

Petition for Extension of Time to Respond

Applicants hereby petition for a **three-month** extension of time with which to respond to the Office Action. Please charge \$465.00 for this petition to our Deposit Account No. 50-0271. Please charge any additional fees that may be required for this Response, or credit any overpayment to Deposit Account No. 50-0271.

If an extension of time is required, or if an additional extension of time is required in addition to that requested in a petition for an extension of time, please grant a petition for that extension of time which is required to make this Response timely, and please charge any fee for such extension to Deposit Account No. 50-0271.

Respectfully submitted,



Steven Santisi

Registration No. 40,157
Attorney for Applicants,
Walker Digital, LLC
santisi@walkerdigital.com
Five High Ridge Park
Stamford, CT 06905-1326
203-461-7054/ voice
203-461-7300/ fax

3/17/2003

Date